

# The Accounting Historians Notebook

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# The Accounting Historians Notebook

Vol. 22, No. 1

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April, 1999

## BUSINESS REPORTING IN AN ERA OF CHANGE

by

*Edmund L. Jenkins, Chairman, Financial Accounting Standards Board*

*The following is based on the keynote presentation at the Academy's Research Conference in Atlanta on November 13, 1998.*

### Introduction

It's a great pleasure to be with you this morning to participate in your conference on the subject of the Evolution of Business Disclosure.

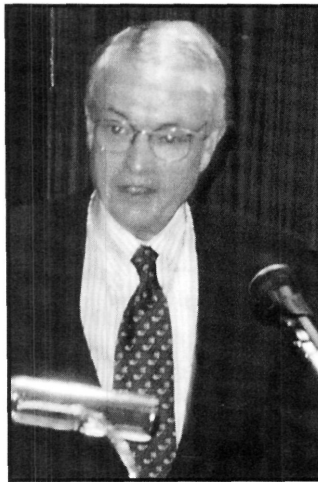
I understand this is the 25th anniversary of your Academy and 1998 also marks the 25th anniversary of the FASB. So being with you today has a special significance from a historical perspective.

I also want to thank Gary Previts, not so much for inviting me to this conference, although I do thank him for that, but for all of his help and counsel and support over the years—particularly on the subject of business disclosure.

I have chosen to discuss "Business Reporting in an Era of Change." I don't want to preach to the choir, and you seem to have the market tied up in terms of history. So I'll talk more about the present and future.

I also don't intend to speak for too long in the hope that we can have a good discussion when I'm finished.

I can't begin however, without one little



historical note. I can clearly recall that in the 1960's an objective of Arthur Andersen, at least, was to develop financial statement presentations that were clear enough that no footnotes were necessary. We often met that goal, with the major exceptions being where there was a material uncertainty overhanging the company—usually one leading to a qualified auditor's report. What a change from today! And, what a complex world we live in.

### Business Reporting: A Cornerstone

People in every walk of life are affected by business reporting, the cornerstone on which our process of capital allocation is built. An effective allocation process is critical to a healthy economy that promotes productivity, encourages innovation, and provides an efficient and liquid market for buying and selling securities and obtaining and granting credit. Conversely, a flawed capital allocation process supports unproductive practices, denies cost-effective capital to

*REPORTING...continued on page 27*

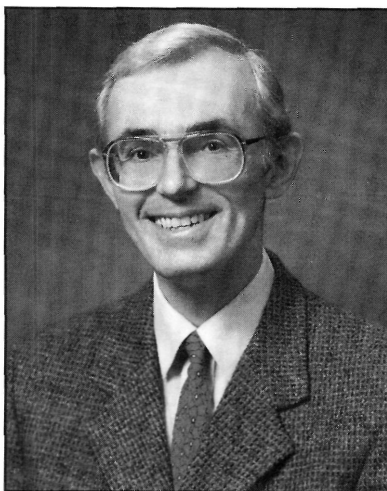
## MESSAGE FROM THE PRESIDENT

Dear Academy Members:

This is my first (and probably my last) presidential message! Unlike my research in accounting history, I therefore have no well-established model with which to refer. So let me start by wishing you a very peaceful, happy and prosperous 1999. May all your students appreciate and benefit from your classroom activities in accounting history, and all your research projects be published!

I am particularly honoured to be the first Scot to be elected to the presidency of the Academy. Scots have established and perpetuated many myths over the years (usually enunciated by hairy and rather scary males wearing what the rest of the world regards as a skirt with a leather jock strap attached to its external front). One of the most enduring Scottish myths is that Scotland has a decent national soccer team! The other is that the Scots invented professional accountancy in 1853. Well, many decades ago, Scotland did produce great soccer players, usually born in the shadows of now defunct coal mines and steel mills. Edinburgh accountants did form the first professional accountancy body. And the global influence of Scots over the centuries has been significantly disproportionate to the Scottish population. Thus, I am proud to be a "fact" rather than a "myth" - the first Scottish-born president of the Academy.

Such an election speaks volumes for the international focus which the Academy's officers and trustees have endorsed as its primary strategy for the next century. Although administratively-based in the United States, the Academy must embrace historical scholarship in accounting on a global basis. Indeed, while accounting history research has



Tom Lee

become increasingly marginalised in the United States (due to the pseudo-scientific pressure and power of economic empiricism and empiricists), it has developed as a mainstream scholastic activity in many other countries. Thus, I am happy to report several important matters for 1999 which demonstrate the Academy's international focus.

First, there are thirteen main committees of the Academy for 1999 (see elsewhere in this *Note-*

*book*). These involve a total of 40 American and 20 non-American members (allowing for multiple memberships), proportions which mirror the Academy's membership structure. Two of these committees are chaired or co-chaired from outside the United States. My personal hope is to see the committees of the Academy increasingly involve members on a global basis. Use of electronic communication provides speedy and effective access to all parts of the world. The accounting history community is truly a global village.

Second, the Academy is about more than its journals and annual conference. Much work goes on behind the scenes on a daily, weekly and monthly basis. Until recently, all of this effort was the responsibility of volunteers. Now we are extremely fortunate to have Kathy Rice as our administrator, and many of you will have already received her efficient and caring attention. I welcome Kathy into our family of historians and, on your behalf, thank all those members who have agreed to serve the Academy within its administrative structure. Please also join me in thanking the 1998 officers, trustees, and committee members for their

*PRESIDENT...continued on page 33*

## **SCHEDULE OF ACADEMY FUNCTIONS**

Academy activities are listed for 1999. The Academy encourages you to participate in the following functions.

**Comparative International Accounting  
History Research Consortium**  
May 20–22, 1999  
Tuscaloosa, Alabama

**Spring Meeting of Trustees, Officers, and  
Key Members**  
May 22, 1999  
Tuscaloosa, Alabama

**Meeting of Trustees, Officers, and  
Key Members**

**Past President's Dinner  
Membership Reception  
Annual Meeting, AAA**

August 15–18, 1999  
Hyatt Regency San Diego and  
San Diego Marriott Hotel & Marina  
San Diego, California

**1999 Research Conference  
Annual Business Meeting**  
November 18–20, 1999  
Westin Harbour Castle Hotel  
Toronto, Canada

## **WANTED MANUSCRIPTS AND ITEMS OF INTEREST**

Anyone wishing to submit short article manuscripts, notes, cartoons, shaggy dog stories, letters to the editor, or other items to **THE ACCOUNTING HISTORIANS NOTEBOOK** should send the material for consideration to the editor, Elliott L. Slocum, School of Accountancy, Georgia State University, P.O. Box 4050, Atlanta, GA 30302.

## **THE ACCOUNTING HISTORIANS NOTEBOOK**

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### **HOME PAGE**

<http://weatherhead.cwru.edu/accounting>  
Webmaster: Gary J. Previts  
Case Western Reserve University

## THE ACADEMY OF ACCOUNTING HISTORIANS

# 1999 Research Conference

## Call for Papers

The 1999 annual conference for the Academy of Accounting Historians will be held in Toronto, Ontario, Canada from November 18–20 at the Westin Harbour Castle Hotel. The conference theme is “The Rhetoric of Accounting History: Conversations Across Time and Space.” In accordance with past practices, most accounting history topics are considered for presentation on the program. The 1999 conference will, as the theme implies, place emphasis on critical analysis. Researchers from related areas that use historical accounting data are being encouraged to participate. For the first time, some sessions will be dedicated to the presentation of cases and papers dealing with the use of historical accounting cases for teaching.

Toronto is a safe, clean cosmopolitan city of 4.7 million residents in the southern part of Canada at approximately the same latitude as Boston. Fall weather is pleasant in Toronto, with warm days and cool nights. The average temperature is 11 degrees Celsius or 51 degrees Fahrenheit. For more information on Toronto, see [www.tourism-toronto.com](http://www.tourism-toronto.com).

The Westin Harbour Castle is a modern four star hotel located on the waterfront in downtown Toronto. The hotel provides guests with a stunning view of Lake Ontario. The area in which the hotel is located is very safe for walking at all times of the day and night whether in the business and commercial downtown, along the lake, or on the Toronto Islands—just five or ten minutes by ferry boat from the terminal next to the hotel. For those less inclined to walk, the hotel provides a free shuttle to the downtown area. The daily hotel room rate is \$135 Can. (\$88 US using an exchange rate of 0.65) single/double occupancy, \$145 Can. (\$94 US) triple, and \$155 Can. (\$101 US) quad. These rates also apply one-day prior to and one-day after the conference. A provincial tax of 5% and a federal sales tax of 7% are added to the hotel rate. Participants can make their own reservations by dialing toll free 1-800-WESTIN-1. Be sure to mention the Academy of Accounting Historians conference in order to get our special rate. Alternatively, participants can register at the hotel by completing the hotel section on the registration form. In either case this must be done by October 18, 1999.

Valet parking is available at the hotel for \$21 Can. per day. There is other parking available in the vicinity for about \$10 Can. per day. Participants arriving at the Toronto (Pearson) International Airport, can travel to the hotel by bus (Airport Express, \$12.50 Can. one way, \$21.00 Can. return) or Limousine Cab (\$36.50 Can. flat rate one way, regardless of the number of occupants, up to four). The Airport Express provides frequent services to the door of the hotel. If returning to the airport by Limousine Cab, be sure to have the hotel call this cab company for you.

All papers will be double blind reviewed. The deadline for submission is June 15, 1999. The results of the reviews will be provided to authors by September 1. For information or to submit a paper, please contact Professor Gary Spraakman, Program Committee Chair, 1999 AAH Research Conference, Atkinson College, York University, Toronto, ON, M3J 1P3, Canada, 416-736-5210 (telephone), 416-736-5963 (fax), or [GaryS@YorkU.ca](mailto:GaryS@YorkU.ca) (e-mail).

# The Academy of Accounting Historians

## 1999 Research Conference

### Tentative Program Schedule

#### Thursday, November 18, 1999

5:00 p.m. - 8:00 p.m.	Registration
6:00 pm. - 8:00 p.m.	Reception

#### Friday, November 19, 1999

7:30 a.m. - 8:30 a.m.	Registration, Continental Breakfast
8:30 a.m. - 10:00 a.m.	Plenary Session
10:00 a.m. - 10:30 a.m.	Coffee/Break
11:00 a.m. - 12:00 noon	Plenary Panel
12:00 noon - 1:15 p.m.	Lunch, Awards
1:30 p.m. - 3:00 p.m.	Concurrent Sessions
3:00 p.m. - 3:30 p.m.	Coffee/Break
3:30 p.m. - 5:00 p.m.	Concurrent Sessions
6:00 p.m. - 8:30 p.m.	Dinner, Speaker

#### Sunday, November 20, 1999

7:30 a.m. - 8:30 a.m.	Continental Breakfast
8:30 a.m. - 10:00 a.m.	Concurrent Sessions,
10:00 a.m. - 10:30 a.m.	Coffee/Break
10:30 a.m. - 12:00 noon	Concurrent Sessions
12:15 p.m. - 1:30 p.m.	Lunch, Speaker
2:00 p.m. - 5:00 p.m.	AAH Business Meeting
	Officers and Trustees Meeting



### A CALL FOR PAPERS

#### 1999 VANGERMEERSCH MANUSCRIPT AWARD

The Academy of Accounting Historians seeks to encourage young faculty to engage in historical accounting research. Thus, each year the Academy administers the Vangermeersch Manuscript Award. Any accounting faculty member holding a full-time appointment and having received the masters or doctorate degree within seven years prior to date of submission is eligible to be considered for this award. The manuscripts submitted must be the work of one author, not have been previously published or under review for publication, and conform to the style and length requirement of *The*

*Accounting Historians Journal*. The author selected to receive the award by the award committee will receive a \$1,000 stipend, a certificate of achievement, and the manuscript will be published in *The Accounting Historians Journal* after an appropriate review. Six copies of each manuscript should be submitted by June 15, 1999, to Dr. Donna L. Street, Arthur Andersen & Co. Alumni Professor, James Madison University, School of Accounting, MSC 0203, Harrisonburg, VA 22807, USA. For further information, please contact Dr. Street at (540) 568-3089 or at [streetdl@jmu.edu](mailto:streetdl@jmu.edu).

# EIGHTH WORLD CONGRESS OF ACCOUNTING HISTORIANS in the Year 2000

The Eighth World Congress of Accounting Historians will be held at the Universidad Carlos III de Madrid in the year 2000, on the dates of July 19-21. The Congress is being organized by the Asociacion Espanola de Contabilidad y Administracion de Empresas (AECA) (Spanish Association of Accounting and Business Administration) through its Comision de Historia de la Contabilidad (Commission of Accounting History), The Consejo Superior de Colegios Oficiales de Titulados Mercantiles y Empresariales de Espana (High Council of Spanish Official Institutes of Graduates in Commerce and Business Administration), and the Colegio Oficial de Titulados Mercantiles y Empresariales de Madrid (Official Institute of Graduates in Commerce and Business Administration of Madrid). Esteban Hernandez-Esteve, Comision de Historia de la Contabilidad de AECA (Comision de Historia), is serving as the Convenor of the Congress.

The five state universities in the Madrid area are supporting the AECA, Consejo Superior, and the Colegio of Madrid. In addition to Universidad Carlos III de Madrid, Universidad de Alcala de Henares, Universidad Autonoma de Madrid, Universidad Complutense, and Universidad

Nacional de Educacion a Distancia (UNED) will participate in the Congress.

The Social Science campus of Universidad Carlos III of Madrid, which is located in Getafe, a satellite village located 11 kms (7 miles) from downtown Madrid, will be the Congress Venue. The University residence will be available to Congress participants. Good connections by train and bus are available from Madrid to Getafe, and a special shuttle bus service will be provided for Congress attendees who prefer accommodation in downtown hotels.

Additional information on the Congress will be released in the future, but requests can be addressed to:

Esteban Hernandez-Esteve  
Convenor  
8th World Congress of Accounting  
Historians  
Asociacion Espanola de Contabilidad  
y Administracion de Empresas (AECA)  
Alberto Aguilera, 31, 5  
28015 Madrid, Spain

Tels.: 34-1-547 44 65

559 12 27

547 37 56

Fax: 34-1-541 34 84

Email: [info@aece.es](mailto:info@aece.es)

## A CLASSIC PUBLICATION AVAILABLE ON THE WEB

*The Evolution of Cost Accounting to 1925* by S. Paul Garner is now on the World Wide Web. This classic historical study is the first book which addresses the discipline of accounting and its history to be published and available in full length on the Web. Providing free of charge such an important work on the Web is a pioneering step. This is another first for S.

Paul Garner, Dean Emeritus, University of Alabama, in his long tradition of being a pioneer of global accounting matters.

Accounting students and historians can access and download this famous classic at:

<http://weatherhead.cwru.edu/Accounting/pub/garner>

## ELEVENTH ANNUAL ACCOUNTING, BUSINESS & FINANCIAL HISTORY CONFERENCE

The *Accounting, Business & Financial History Conference* will be held at Aberdare Hall, Cardiff on September 15-16, 1999. The cost of the conference is 85 pounds sterling, which includes all meals and overnight accommodations.

Those wishing to offer papers should submit an abstract of NOT MORE than one page by Friday, April 16, 1999, clearly indicating the name of the person(s) submitting the offer and a contact address. Offers can be submitted electronically by e-mail or other means (Boyns@cardiff.ac.uk), or in hard copy form to the following

address:

Dr. T. Boyns  
ABFH Conference Organiser  
Cardiff Business School  
Colum Drive  
CARDIFF CF 1 3 EU  
WALES, GREAT BRITAIN

Those whose submissions have been accepted will be notified by the end of May, 1999. Anyone wishing to receive further information should contact the conference organiser either at the above address, e-mail or by telephone (01222 875576) or fax (01222 874419).



## CALL FOR MANUSCRIPTS THE ACCOUNTING HISTORIANS JOURNAL

*The Accounting Historians Journal* encourages you to submit papers on subject matter related to the development of accounting thought and practice. Papers on biographical subjects and on historical method are also acceptable. Guidelines on research and a guide for submitting manuscripts may be found in *The Journal* or may be obtained from the Editors.

Manuscripts must be in English and of

acceptable style and organization for clarity of presentation. The manuscript should not exceed 7,000 words. An abstract of not more than 200 words should separately accompany the manuscript. More detailed information concerning additional requirements regarding style, content, and the submission requirements is included in the guidelines mentioned in the previous paragraph.

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### Submit Manuscripts to:

Richard K. Fleischman  
Department of Accounting  
John Carroll University  
University Heights, OH 44118

Phone: (216) 397-4443

FAX: (216) 397-3063

Email: fleischman@jcu.edu

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### Matters Related to Production:

Anthony Joseph Cataldo II  
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Department of Accountancy  
Haworth College of Business  
Kalamazoo, Michigan, USA 49008

Phone: (616) 387-5257

FAX: (616) 387-5710

Email: aj.cataldo@wmich.edu



## TAX HISTORY RESEARCH CENTER FELLOWSHIPS

The Tax History Research Center (THRC), which is sponsored by the Academy of Accounting Historians and housed at The University of Mississippi, is offering research fellowships of up to \$1,000 for individuals wishing to conduct research at the THRC. The grant can be used only for lodging at the Alumni House Motel at The University of Mississippi during the time the researcher is working at the THRC. Based on current room rates the grant would pay for about four weeks of lodging at Ole Miss. Applications should be submitted at least two months in advance of the projected visit. Applications should include a cover letter and an approximately one page proposal explaining how the resources of the THRC would be useful in the applicant's research.

Both predoctoral and postdoctoral fel-

lowships will be considered. Fellowships would be particularly suitable for those on sabbatical or Summer leave.

The THRC has an extensive collection of tax services, congressional committee reports, books, journals, and other publications dating back to 1909, dealing with the federal income tax. Some state materials, primarily theoretical or policy oriented, are also available.

Fellowship applications should be sent to:

Dr. Tonya K. Flesher, Director  
Tax History Research Center  
School of Accountancy  
The University of Mississippi  
University, MS 38677

For more information call Dr. Flesher at (601) 232-5731 or (601) 234-3969.



## PARKER RECEIVES THE HOURGLASS AWARD

Professor Robert H. Parker is the 1998 recipient of the Hourglass Award in recognition of his lifetime of contributions to research and publication in accounting history. The Hourglass award is given to an individual or individuals that have made significant contributions to accounting history through research and publication. This award is the most prestigious award given by the Academy of Accounting Historians.

Professor Parker has increased knowledge and understanding of accounting's past through numerous books, chapters in books, and articles. Additionally, he has supported new journals in the field, such as *Accounting, Business and Financial History and Accounting History* and served on the editorial board of *The Accounting Historians Journal*. As editor of *Accounting and Business Research* from

1975-1993, he actively supported accounting history scholarship and assisted in raising the profile of accounting history by encouraging historical lines of inquiry and also writers with historical interests.

Professor Parker's distinguished career spans several countries and universities beginning with graduation from the University of London in 1954, becoming a Chartered Accountant in 1958, working with a firm that later joined Peat Marwick, and then to Australia and academics, and later to return to Europe. He retired from the University of Exeter in 1997, and recently was appointed Emeritus Professor.

Professor Parker could not travel to Atlanta at the time of the November Research Conference to personally receive the Award. Dr. Tom Lee agreed to accept the Hourglass Award for Professor Parker.

## NEWS AND NOTES

### Life-Member Receives Honorary Degree

Richard Mattessich, Professor Emeritus of the University of British Columbia, and Life-Member of the Academy of Accounting Historians, received on November 12th, 1998 from the Universidad Complutense de Madrid a "Doctor honoris causa" degree in economics and business administration. In the evening of November 12th, he was honoured at a banquet in the Residence of the Ambassador of Canada to Spain, Mr. Anthony Vincent. The Complutense is not only the most prestigious university of Spain, its constitution is also some 500 years old, and, as to size, it is said to be the fifth largest university in the world. Alexander Flemind, Karl Popper and others are former recipients of such an honorary degree from this institution.

### James Don Edwards Retires

James Don Edwards, distinguished University of Georgia professor, retired July 1, 1998. He is a member of the Academy of Accounting Historians and a renowned accountant. Dr. Edwards helped establish the J.M. Tull School of Accounting at UGA and helped steer the UGA Terry College of Business through the construction of a state-of-the-art-facility for the college.

Dr. Edwards has had many other successes to include: Doctor honoris causa from the University of Paris; won the Certified Public Accountant Gold Medal Award in 1993; named one of the "100 Most Influential People in Accounting" by Accounting Today Magazine; and the Tull Professor of Accounting at UGA since 1974.

### Sheldahl Reports on Projects

Terry Sheldahl, special projects officer at Saint Leo College in Savannah, reports that work regarding *The Southern Collegiate Accountant* was discontinued this past year

with the issuance of three volumes, 1989-96. He stated his appreciation to the several academy members who provided editorial services to the project and especially to Michael van Breda, coeditor, for the completion of volume 3. Terry noted that he was well under way on other projects of "In the Midlands: The Western Philosophical Association (1900)," and the first of two volumes planned on "Roots of the American Philosophical Association, 1895-1902."

### In Memory of Virginia Jones

During the past year, Mrs. Virginia Jones passed away. Mrs. Jones was the wife of James W. Jones, a long time member and supporter of The Academy of Accounting Historians, who passed away in 1995. Jimmy and Virginia were frequent participants in Academy functions in the early years. Among other events, Jimmy and Virginia attended the dedication of the Accounting History Research Center (AHRC) at Georgia State University in 1988. It was perhaps this participation which led Virginia to donate Jimmy's extensive library of nearly a thousand accounting books and other materials to the AHRC. After her death, the family donated an additional group of books and periodicals amounting to about five hundred items to the AHRC. Some copies of periodicals were sent to the Tax History Research Center at The University of Mississippi to complete collections there.

Jimmy and Virginia were a gracious couple. Those of us fortunate enough to have known Jimmy and Virginia will miss their presence, but will long remember them.

### Account-Keeper Available

The Academy of Accounting Historians has a newly designed T-shirt available to members. The T-shirt features the Academy logo on the front and a reproduction of *The Account-Keeper*, a 1656 masterpiece by

Nicholos Maes. The masterpiece portrays a woman whose head droops, presumable from fatigue, while writing in her account ledgers. The T-shirt is captioned, "Book-keeping 101." The T-shirt comes in white and blue and in various sizes. The price of each T-shirt is \$15.00 (U.S.). VISA and MasterCard are accepted. For information and orders, contact Jeanette Sanfilippo, Maryville University: Phone (314) 529-9571 or FAX (314) 529-9975 or Email: [jsan@maryville.edu](mailto:jsan@maryville.edu).

## Accounting History-A Special Subscription Offer

*Accounting History* is the journal of the Accounting History Special Interest Group of the Accounting Association of Australia and New Zealand which is published twice-yearly in May and November. A special annual subscription rate for individual members of the Academy of Accounting Historians is made available for 1999. The special rate is AUD \$55.00 which is approximately US \$35.00. The journal is distributed via airmail. A complimentary inspection copy of a recent issue of the journal is available on request from Bruce Hoyle (email:[bruceh@deakin.edu.au](mailto:bruceh@deakin.edu.au)).

## Accounting History Research Center

During 1998, much progress was made in the cataloging and rearranging of the holdings of the Accounting History Research Center (AHRC). It will be possible in the future for a member to request and receive disks that include a listing of the holdings of the AHRC. A substantial portion of the several thousand items in the AHRC can now be provided by disk or hard copy. These will soon be placed on the web.

The AHRC recently completed the compilation of "The Robert Montgomery Collection, Columbia University," and "The Harry C. Bentley Collection at the Boston Public Library." These listings of historical accounting materials can be provided in WordPerfect or Word.

## Silent Auction

The Academy hosted, once again, a successful silent auction this year at the annual research conference. Members were able to browse through the old books, monographs and periodicals at the Atlanta conference, held in November 12-14, 1998. The silent bidding raised over \$800 and was a successful addition to the conference.

## Contributions to Silent Auction

The Academy will host a silent auction at the 1999 Reserach Conference in Toronto, Ontario, Canada on November 18-20. If you have some old accounting books or publications you would like to contribute to the Academy for use in the silent auction, please contact Elliott Slocum at (404) 651-4452 or E-mail: [ACCELS@langate.gsu.edu](mailto:ACCELS@langate.gsu.edu).

## Hourglass Nominations

The Hourglass Award of the Academy of Accounting Historians is presented annually at its December research conference to an individual who has made a demonstrable and significant contribution to knowledge through research and publication in accounting history.

Nominations for this award are now being invited. There is no restriction as to who may make a nomination and scholars from any country are eligible for nomination. Membership of the Academy is not a prerequisite for eligibility to nominate or be nominated. However previous Hourglass Award winners and Hourglass judging panel members are ineligible for nomination.

The nominator must supply a 200 word (maximum) statement summarising the reasons why the nominee should be considered, full contact details of nominator and nominee, along with a list of relevant publications and any other relevant documentation supplied by the nominee who has agreed to be nominated.

All nominations and accompanying  
NOMINATIONS...continued on page 21

# THE USE OF ARCHIVES TO EVALUATE DOCUMENTS IN ACCOUNTING HISTORY

by

Gary Giroux, Texas A&M University

Sharon Hurley-Johns, Brigham Young University

Documents are a primary source of potential accounting history—annual reports, worksheets, contracts, and so on. But how does a researcher determine the significance of the documents and analyze the historical context? The use of archives typically is necessary to answer these questions. However, archival research may be difficult to implement. The purpose of this paper is to review potential archival sources that may be useful to accounting historians when evaluating business documents. These include library searches, specialized sources such as historical societies, as well as new techniques available through computer technology. Particularly important are new internet sites, some of which include search engines to find specific sources. The focus is descriptive, based on availability of “raw materials” and techniques to interpret sources and underlying histories. In addition, techniques useful for research are presented. Specific documents will be used as examples.

## Documents and Accounting Theory

Several theoretical paradigms can fit a detailed document analysis of accounting and business history. A theory should provide a foundation for investigating actor incentives and allow predictions of specific courses of action. Of course, since the analysis typically is based on limited information (perhaps a single company or an individual event or document) the usefulness of theory is often modest.

Documents provide raw materials that can be analyzed. In most cases these represent contractual arrangements involving principals and agents. Several economic paradigms focus on the contractual relation-

ship, including transaction economics, efficient contracting, and agency theory. These interrelated paradigms focus on specific contractual terms and transactions as basic units and analysis. All parties to contracts are assumed to seek optimal terms, subject to constraints such as bounded rationality, the potential for opportunistic behavior, and various forms of transaction and agency costs. In this environment, accountants can reduce information asymmetries and provide audit and other monitoring devices. (See, for example, Williamson 1985, Watts and Zimmerman, 1986.)

Microhistory is an in-depth analysis that focuses on a specific event or individual. According to Levi (1990) the microhistorian is:

(on) the search for a more realistic description of human behavior, employing an action and conflict model of man's behavior in the world which recognizes his—relative—freedom beyond, though not outside, the constraints of prescriptive and oppressive normative systems (p. 94).

Williams (1997) used microhistory to analyze letters of the Boulton and Watts factory at the Birmingham Central Library archive on the case of the embezzlement of William Bennett in the early 19th century.

These are but two examples of theories that may be appropriate to document analysis and archival research. The focus of this paper is descriptive, rather than theoretical. However, the use of source documents can be combined with appropriate theory to better predict incentives and explain observed courses of action associated with

specific documents.

### **What Makes a Document Important?**

Documents are abundant and usually record mundane transactions or correspondence. Key factors make documents important. Several types of documents are sought after by collectors and, therefore, likely available, such as stock certificates, checks, and other financial instruments. Items of no interest to collectors tend to be lost. (There are stories of historically valuable business archives "rescued" from dump sites, for example.) This is partially based on attractiveness. These documents are often printed and, by the 1860s, printers were using attractive vignettes, better rag paper, and color. The artwork often reflected the type of business and railroads, mining, banks, energy, and government documents have become significant specialties among collectors.

Type of document, content, signatures, rarity, location, and time period are important factors. For example, this analysis will include a number of post-Civil War documents from the Charleston, South Carolina area. These are not attractive documents, but all have the required revenue stamps—ironically to pay off the Union Civil War debt. Several involve the lease or sale of Charleston businesses and nearby plantations. Since this was a time of political and economic upheaval, these documents are especially interesting. The South Carolina Historical Society is used to identify specific properties and individuals involved. The most important signature belongs to George Trenholm, a merchant and blockade runner and Secretary of the Treasury of the Confederacy from 1864-65. Other individuals also have been identified in the South Carolina archives.

Historical significance, rather than collectibility, is of primary concern to the accounting historian. The context of the business documents under study can lead to important findings and interpretation. Shipping documents often include an inventory of the cargo, costs, and destination. Nineteenth century sight and time drafts are

similar to modern counterparts. On occasion, these drafts circulated as scrip or provisional currency. Accounting working papers, inventories, ledgers and journals provide direct information on accounting procedures and specific transactions. Deeds, mortgages, leases, bills of sales, insurance documents, wills, and receipts also provide valuable information on economic and financial procedures and conditions. When combined with other sources, considerable insight may be obtained on financial activities.

### **Library Archives and Search Techniques**

The good news is that vast library and archive resources exist. New technology is being put in place to make archival research faster and easier. The bad news is that the resources may be hard to find and few systematic tools are available. New technology also is hit or miss. A major problem is lack of funding to implement computer and network technology. The best advice is to be on good terms with the local library staff.

Search techniques should be based on the specific project, but can be somewhat systematic. Three categories of techniques are considered below. Source documents typically are associated with a particular company or organization at a specific time. Archival research may pinpoint considerable information on specific companies during the appropriate time frame as well as additional historical information on the company before and after the event of interest. Important individuals leave biographical information that may be useful, possibly including information about the context of the document of interest. Background to time period, location, industry, and so on can be invaluable to place documents in the proper context.

### **Specific Companies**

Key questions to start include: Is this an existing publicly traded company? Is it a privately traded company? Has the company gone bankrupt or been acquired by another firm? Existing publicly traded companies have extensive information available, including annual reports and Securities and

Exchange Commission (SEC) filings. There are vast library resources, computer data bases, and internet resources available. *Moody's Industrial Manual* includes good company histories. Older *Moody's Manuals* can be useful to track down acquisitions from long ago, as well as contractual terms such as debt covenants. An example was researching a monthly payroll spreadsheet of the Boston and Providence Railroad from 1864. Contemporary records indicated that it was one of seven lines that ran through Boston at the time, but what happened to it? Before the end of the 19th century, records from the Boston and Providence had disappeared. *Moody's Railroad Manuals* from years past had the answers. The Boston and Providence was leased to Old Colony Railroad in 1888, which was acquired by the New Haven System in 1893. The New Haven was bought by Penn Central in 1968, which became part of Conrail. Thus, this historic railroad gave up its specific identity over a hundred years ago.

*Notable Corporate Chronologies* gives histories of companies still in existence. *International Directory of Company Histories* includes 2,000 companies that gross over \$200 million in sales. *Ward's Business Directory* is a comprehensive guide to 120,000 companies currently in existence, including privately held companies. The *Directory of Obsolete Securities* is an alphabetic list of stock exchange companies no longer in business. The directory details when the security became obsolete, and if the firm was bought out or merged, the succeeding organization's name (e.g., a small Pennsylvania railroad, Minehill & Schuylkill Haven, was acquired by the Philadelphia & Reading Railroad). *The Directory of Corporate Name Changes* and *Valuable Extinct Securities* are alternative sources.

State archives can be a valuable source. Annual reports on Minehill & Schuylkill Haven Railroad were acquired from The Library Company of Philadelphia (Giroux 1998). A cover from Buffalo, New York

involved financial regulation. The State Library of New York sent copies of original banking laws from the 1830s (Giroux 1997). Contact can be made by phone or e-mail (and some states have web sites). A major deficiency can be the lack of extensive indexing. The State Archives Referral list at [www.sos.state.ga.us/archives/state\\_archives.htm](http://www.sos.state.ga.us/archives/state_archives.htm) includes the web addresses for all state (except New Mexico), as well as phone numbers and addresses.

Newspapers are a possible source. The *New York Times* is available on microfilm from 1851 and is indexed. The *Times* also has a Personal Name Index from 1851-1974. *The London Times* is indexed and is available on microfilm from 1785. Information about the Philadelphia Sanitary Fair of 1864 (a moneyraising device for the U. S. Sanitary Commission, a Civil War precursor to the American Red Cross) came from the *Philadelphia Inquirer*. This newspaper is available on microfilm, but not indexed. This required us to search throughout June 1864, when the fair was conducted. *The Wall Street Journal* is available on microfilm from 1889.

Consider the search for an obscure railroad. Several hundred stock transfer documents of the Minehill & Schuylkill Railroad (MSR) were acquired for the 1862-72 period. A 25¢ tax was required on these stock transfers using power of attorney transactions, to be paid by revenue stamps. This was part of the 1862 Tax Act for the Union's war effort. The Act also introduced the first federal income tax and created the precursor to the Internal Revenue Service. The largest number of documents was from 1863, the year MSR acquired the Schuylkill Haven & Lehigh River Railroad and the stock price rose from 48 1/2 at the beginning of 1863 to 62 1/2 in December.

Fifteen annual reports for MSR were discovered at the Library Company of Philadelphia from 1844-64 (see Giroux 1998). Several of these discussed the history

ARCHIVES...continued on page 35

# THE ACADEMY OF ACCOUNTING HISTORIANS

## Membership, Trustees and Officers Meeting

### Westin Peachtree Plaza, Atlanta, Georgia

### Saturday, November 14, 1998

1. The meeting was called to order at 2:00 p.m. by President Elliott Slocum.
2. The minutes of the Membership Meeting, December 1997, in Richmond, Virginia were distributed. The minutes were approved.
3. The minutes of the Trustees and Officers Meeting in August 1998 in New Orleans were distributed. These were approved also.
4. Secretary Samson distributed the 1998 membership report. It was noted that membership has been increasing during the last two years, with an increase of 42 members this year and now stands at 894 total members. The increase is in the US individual and institutional membership, with non-US membership declining slightly.
5. Secretary Samson distributed the 1999 calendar of duties to the officers. Also distributed was the report from Kathy Rice, Administrative Coordinator of the Academy.
6. Sarah Holmes, Treasurer, distributed the 1998 financial statements and the 1999 budget. Several items were discussed including the success of the silent auction book sale and the fact that 1998 expenditures for the journals were less than budgeted. Budget amendments were made to allocate money for maintaining the website and leadership transition. Also, the provision for San Diego conference was increased \$500. The Treasurer's report was voted upon for acceptance; it passed unanimously. The budget, as amended, was voted upon and unanimously approved.
7. Dick Fleischman gave the AHJ editor's report and discussed the number of paper submissions and quality of papers.

The December 1998 issue of AHJ is being mailed and should reach all members well before the year-end. Editor Fleischman asked that the search begin for a new editor, given the lead time in the editorial transition process. Tom Lee will be forming a committee to select the next editor.

8. Elliott Slocum indicated that the Fall issue of the *Notebook* is in the mail.
9. Finley Graves indicated that there was no change in the Monograph Series.
10. The need for an Academy Policy Procedures Manual was discussed at length. Tom Lee will report on a proposal to develop such a document at the Spring meeting.
11. Tom Lee reported that 30 invitations has been sent out for the Tuscaloosa meeting in the Spring. Hopefully this will involve accounting historians from around the world. Tom Lee also described the developments of the 1999 annual meeting which will be held in Toronto, November 18-20, 1999.
12. Committee reports were given. First, Dick Vangermeersch discussed setback encountered by the International Committee.
13. Next, the Nominations Committee, chaired by Ross Tondkar, gave its report. The slate of nominees for offices in 1999 are:

#### Officers

- President, Tom A. Lee, The University of Alabama
- President-Elect, Kathleen E. Sinning, Western Michigan University
- First Vice-President, O. Finley Graves, Kansas State University
- Second Vice-President, William D. Samson, The University of Alabama

- Treasurer, Sarah A. Holmes, Texas A&M University
- Secretary, Alan J. Richardson, Queen's University

#### Trustees

- Dale L. Flesher, University of Mississippi, Chairman of the Board of Trustees
- Gene Flegm, Chairman Emeritus
- Hiroshi Okano, Osaka City University
- Daniel L. Jensen, Ohio State University

The slate of candidates were seconded, voted by the membership and elected.

14. Paul Miranti gave the Research Committee's report and indicated slow progress in finishing the research book.
15. Donna Street reported that the Vangermeersch Award Committee had sent out the announcements for the 1999 award.
16. Ashton Bishop reported that the

Strategic Action Committee was concluding its work and passing the initiative to the new president, Tom Lee.

17. New business included discussion that the World Congress meeting in 2004 be proposed for the city of St. Louis. Dick Vangermeersch will chair a committee to investigate this possibility.
18. Dale Flesher reported that the Tax History Research Center has issued a grant to support one scholar, and the McMickle book collection will be shelved in the new facility. This collection will be listed on the Academy's web page.
19. Elliott Slocum reported that the Accounting History Research Center will put the holdings on the web. The books are being rearranged on the shelves to make the groupings more logical.
20. The meeting was adjourned by Elliott Slocum at 3:40 p.m.



## THE EVOLUTION OF BUSINESS DISCLOSURE

The Academy of Accounting Historians held the Fifth Charles Waldo Haskins Accounting History Seminar on November 12-14, 1998. The theme of conference, "The Evolution of Business Disclosure," brought a number of presenters from various countries including Japan, Australia, Ireland, Canada, and the United States. The subjects presented ranged from International Perspectives on Financial Reporting to Ethics and Governance. In the first Plenary Session, Edmund Jenkins, Chairman of the Financial Accounting Standards Board, spoke on the topic, "Business Reporting in an Era of Change."

The Academy is grateful to the conference sponsors that made this research conference a great success. The sponsors include Arthur Andersen, LLP, Chrysler Corporation Fund, Deloitte & Touche, LLP, Ernst &

Young, LLP, the General Motors Foundation, and the KPMG Peat Marwick Foundation. The Academy appreciates the chairmen and their efforts of organizing the conference. The conference program was co-chaired by Kumar Sivakumar and Ram Sriram. The organization of the facilities was chaired by A. R. Roberts. The following is the conference program:

### **Plenary Session: "Business Reporting in an Era of Change"**

Edmund L. Jenkins, Chairman,  
*Financial Accounting Standards Board*

### **Plenary Session: Research Methodologies and Acceptance of Accounting History In Education and Dissertation Research**

**Moderator:** Ram S. Sriram, *Georgia State University*

"Comments about the Acceptance of



Accounting History Research in Dissertations, Promotion and Tenure, and Academic Employment"

Panel: Joann Noe Cross, *University of Wisconsin Oshkosh*

"A Genealogy of Accounting History Dissertations"

Robert J. Bricker, *Case Western Reserve University*

Barbara Merino, *University of North Texas*

"Making Historical Research Meaningful and Relevant"

Vaughan Radcliffe, *Case Western Reserve University*

"Methodologies: Old and New"

### Lunch and Awards

Panel: "Academy of Accounting Historians: Its History"

Edward Coffman,  
*Virginia Commonwealth University*

Al Roberts, *Georgia State University*,  
*Retired*

Gary J. Previts, *Case Western Reserve University*



### Concurrent Sessions

Session A: International Perspectives on Financial Reporting

Moderator: Charles W. Wootton, *Eastern Illinois University*

"Cultural and Administrative Antecedents of Financial Disclosure in Modern China"

Max Aiken, *La Trobe University*

Wei Lu, *Monash University*

"The Development of Financial Reporting in Ireland"

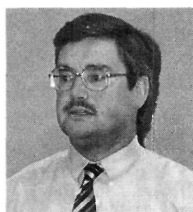
Peter Clarke,

*University College Dublin*

"A Comparison of the British and United States Balance Sheets to 1917"

Darwin L. King, *St.*

*Bonaventure University*



Session B: Financial Reporting for Railroads and Coal Industry

Moderator: Victoria Beard, *University of*

*North Dakota*

"Exploring the Contents

of the

Baltimore

and Ohio

Railroad

Annual Reports: 1827-1856"

Gary J. Previts, *Case Western Reserve University*

William D. Samson, *The University of Alabama*

"The Interstate Commerce Commission and the Development of a Uniform Accounting System for U.S. Railroads: 1887-1915"

Jan Richard Heier, *Auburn University Montgomery*

"Financial Reporting in the Belgian Coal Industry: Cases from the First Half of the 20th Century"

Ignace De Beelde, *University of Gent (Belgium)*

Session C: Concepts, Issues, and Roles of Financial Reporting

Moderator: Judith C. Walo, *Central Connecticut State University*

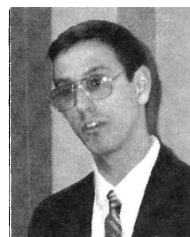
"Primacy of the Balance Sheet or Income Statement: Politics and Conceptual Development in Standard Setting"

Dale L. Flesher, *University of Mississippi*

Jeffrey S. Zanzig, *Millsaps College*

"The Roll of Accounting in Reconciling Changes in Socioeconomic Relationships in the United States Following World War II"

Diane Kay Pence,  
*Prairie View A&M University*



"Historical and Philosophical Looks at the Pre-SFAS #95 World of the Funds Statement"

Richard Vangermeersch,  
*University of Rhode Island*



## Concurrent Sessions

### Session D: Auditing and the Audit Report

**Moderator:** Keith McMillian, S.J.,  
*Rockhurst College*

"Auditing and Stewardship: The Role of Agency Theory and Stewardship Theory in the Assessment of Audit Risks"

Donald L. Atrial, Atrial & Company,  
P.C.

"The Changing Format of the United States Audit Report Responding to Stakeholders Needs and Wants"

Darwin L. King, St. Bonaventure  
University

"Images of Audit 1844-1944"

Gerard McHugh, *Trinity College*

### Session E: Business Disclosures as Illustrated by Various Companies

**Moderator:** Marilyn Collins, John Carroll  
University

"The Disclosed Profit and Loss accounts of Schneider and Co. (1837-1852)"

Daijiro Fujimura,  
*Hiroshima Shudo  
University*



"Accounting and Business Disclosure Practices of the St. Joseph Lead Company 1864 to 1900"

Glenn Vent, *University of Nevada,  
Las Vegas*

Ronald A. Milne, *University of Nevada,  
Las Vegas*

"United States Rubber Company, 1893-1917: An Examination of Reporting Practices"

Elliott L. Slocum, *Georgia State  
University*

## Concurrent Sessions

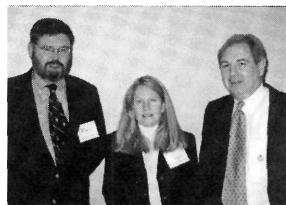
### Session F: Ethics and Governance

**Moderator:** Alan Mayper, *University of  
North Texas*

"Business Ethics and Social Responsibility - A Historical Perspective Derived from Annual Reports"

Duffy A. Morf, Ph.D. Candidate,  
*University of Mississippi*

Dale L. Flesher,  
*The University  
of Mississippi*  
"Information,  
Contingency  
and the  
Evolution of US  
Corporate Monitoring"



Paul J. Miranti, Jr., *Rutgers University -  
New Brunswick*

Mary Ellen O'Grady, *Ramapo College*

**Discussant:** Gary J. Previts, *Case Western  
Reserve University*

### Session G: Taylorism and Rhetoric

**Moderator:** Ann L. Watkins, *North  
Carolina A&T State University*

"Completing the Triangle: Taylorism and the Paradigms"

Richard K. Fleischman, *John Carroll  
University*

**Discussant:** Daniel L. Jensen, *Ohio State  
University*

"Conditional Truth: The Rhetoric of Cost in Twentieth Century America"

C.J. McNair, *Babson College*

Richard Vangermeersch, *University of  
Rhode Island*

**Discussant:** Edward C. Arrington,  
*University of North Carolina-Greensboro*

## Concurrent Sessions

### Session H: Business and Government Reporting Practices

**Moderator:** Ashton Bishop, *James Madison  
University*

"Analysis of an Early American (1801) Reference Book on Business and Accounting Practices"



Robert Bloom, *John Carroll University*  
John Solotko

"A Historical Test of the AICPA Model of Business Reporting"

Joel E. Thompson, *Northern Michigan  
University*

"The Development of Performance

Reporting within State and Local  
Government”

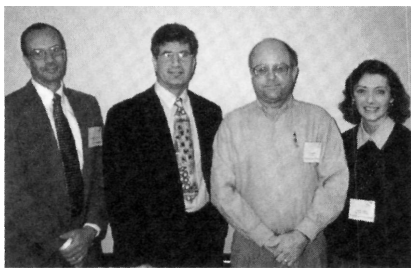
Judith A. Kamnikar, *Auburn University  
Montgomery*

Edward G. Kamnikar, *State of Alabama*

**Session I: Issues in Reporting to  
Stakeholders, Internal Audit, and a  
Case of Political Influence**

**Moderator:** Donna L. Street, *James Madison  
University*

“The Ford Motor Company’s Financial  
Reporting to Stakeholders - Dormant or  
Extinct?”



Lawrence R. Hudack, *Barry University*  
Larry L. Orsini, *St. Bonaventure  
University*

“Internal Audit at the Historical Hudson’s  
Bay Company: A Challenge to the  
Discipline’s Accepted History”

Gary Spraakman, *York University*

“Perley Morse V. Board of Examiners of  
New York”

George C. Romeo,  
*Rowan University*

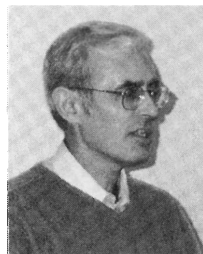
**Lunch**

“The Academy of  
Accounting Historians:  
Its Future”

Tom Lee,  
*The University  
of Alabama*

Kathleen Sinning, *Western Michigan  
University*

Finley Graves, *Kansas State University*



## CALL FOR PAPERS

JAI Press, Inc. has announced that it will begin publishing a new research annual titled *Advances in Business History* and has appointed Professor Ray H. Anderson as Editor-in-Chief. JAI Press is the publisher of numerous journals and research annuals in all areas of business as well as other disciplines.

This announcement serves as an initial CALL FOR PAPERS. *Advances in Business History* will be a scholarly publication whose purpose is to provide for the dissemination of original, quality research in business history which confirm with generally accepted standards of scientific enquires, interpreted in its widest sense. The series will contribute to the development of business and related disciplines, encompassing accounting, economics, banking and finance, education, management, marketing, administration, law and information technology. Recognizing the breadth of research, the annual will accept for publication papers that encompass different methodology and theoretical backgrounds.

All manuscripts and correspondence should be sent to the address below. Descriptions of editorial policy and manuscripts form may be requested from Professor Anderson.

Professor Ray H. Anderson  
Department of Accounting & Finance  
Faculty of Business  
Victoria University of Technology  
PO Box 14428  
Melbourne City MC, Vic, 8001  
Australia

## TAXES IN THE DUST

An article in the *Athens Daily News*, Athens, Georgia, December 16, 1998, by Vijay Joshi, Associated Press, reports regarding clay tablets unearthed in the tomb of King Scorpion I in Southern Egypt. Since 1985, Gunter Dreyer, head of the German Archaeological Institute and his team have recovered approximately 300 pieces of written materials on clay tablets which are not much larger than a postage stamp and clay jars and vases which have ink impressions. This discovery is believed to be very important in the search for the origins of the written word. Although symbols were used, it is considered true writing because each symbol represents a consonant and makes up syllables. Not only do these items perhaps repre-

sent the earliest known human writing, they mostly deal with taxes.

Dreyer indicates that these Egyptian writings represent the first evidence that hieroglyphics used in the later Pharaonic Dynasties developed gradually. The tablets were written between 3300 and 3200 B.C., and two-thirds record linen and oil deliveries to King Scorpion I in the form of tithes, which is a polite way of describing taxes. The records also include short notes, numbers, and lists of names of kings and institutions. Dreyer said that such writing resulted from economic necessity rather than creative efforts of individuals. As kings expanded areas of control, records of taxes, which were paid in commodities, became a necessity.



## HISTORY IN PRINT

An increasing amount of research in accounting history is being published throughout the world in various books and periodicals other than those published by the Academy. The editors of *The Notebook* provide this section to identify accounting history research that may be of interest and use by members of the Academy. We encourage you, the readers of *The Notebook*, to advise us of many such publications in an effort to provide the broadest coverage and recognition of accounting history research.

*Accounting, Business and Financial History*, Vol. 8, No. 1 (1998), (Selected Items):

Anderson, Malcolm. "Accounting history publications 1995/6." pp. 105-124.

Lister, Roger J. "Business ethics: A 3000 year old orthodox perspective which impinges on contemporary business decisions." pp. 1-11.

McCoy, Timothy L. and Dale L. Flesher. "A case of an early 1900s principal-agent relationship in the Mississippi lumber industry." pp. 13-31.

Pitts, Marianne V. "Victorian share-pricing - a problem in thin trading." pp. 33-52.

Thomson, Dianne and Malcolm Abbot. "The life and death of the Australian permanent building societies." pp. 73-103.

Wilson, John F. "Ferranti and the accountant, 1896-1975: The struggle between priorities and reality." pp. 53-72.

*Accounting, Business and Financial History*, Vol. 8, No. 2 (1998), (Selected Items):

Bowden, Sue and Josephine Maltby. "More a national asset than an investor's paradise: Financial management and the British Motor Corporation, 1952-68." pp. 137-164.

Jachau, Roger and Paul Hill. "Agricultural cost accounting development in Britain: The contribution of three men from Wye—a review note." pp. 165-174.

Mattessich, Richard. "Review and extension of Bhattacharyya's *Modern Accounting Concepts in Kautilya's Arthashastra*." pp. 191-209.

Tyson, Thomas N. "Mercantilism, management accounting or managerialism?"

- Cost accounting in early nineteenth-century US textile mills." pp. 211-229.
- Visser, Wayne, A. M. Visser and Alistair MacIntosh. "A short review of the historical critique of usury." pp. 175-189.
- Accounting, Business and Financial History*, Vol. 8, No. 3 (1998), (Selected Items):
- Anderson, Malcolm. "Accounting history publication 1997." pp. 371-382.
- Berland, Trevor. "The availability of information and the accumulation of experience as motors for the diffusion of budgetary control: The French experience from the 1920s to the 1960s." pp. 303-329.
- Boyns, Trevor. "Budgets and budgetary control in British businesses to c. 1945." pp. 261-301.
- Edwards, R. A. "Is management accounting just what management accountants do? Implicit cost analysis on Britain's railways c. 1923-1939." pp. 331-349.
- Spoerer, Mark. "Window-dressing in German inter-war balance sheets." pp. 351-369.
- Uche, Chibuike. "Accounting and control in Barclays Bank (DCO): The lending to Africans episode." pp. 239-260.
- Accounting History*, Vol. 3, No. 2 (1998), (Selected Items):
- Foreman, Peter and Thomas N. Tyson. "Accounting, Accountability and Cost Efficiency at the Commonwealth of Australia Clothing Factory, 1911-1918," pp. 7-36.
- McWatters, Cheryl S. "Accounting Thought, Practice and Legislation: Early Canadian Evidence," pp. 103-142.
- Pitts, Marianne V. "Did Dividends Dictate Depreciation in British Coal Companies 1864-1914?" pp. 37-68.
- Speakman, Gary and Robert Davidson. "Transaction Cost Economics as a Predictor of Management Accounting Practices at the Hudson's Bay Company, 1860 to 1914," pp. 69-102.
- Bellack, C. "Austrian Manufacturing MNEs: Long-Term Perspectives." *Business History*, Vol. 39, No. 1, 1997, pp. 47-71.
- Bouma, J.L. and D.W. Feenstra. "Accounting and Business Economic Traditions in the Netherlands." *The European Accounting Review*, Vol. 6, No. 2, 1997, pp. 175-197.
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- Hooper, K. and K. Kearins. "The Excited and Dangerous State of the Natives of Hawkes Bay: A Particular Study of Nineteenth Century Financial Management." *Accounting, Organisations and Society*, Vol.

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- Levenstein, Margaret C. *Accounting for Growth: Information Systems and the Creation of the Large Corporation*, (1998).
- McKinsry, S. "Status Building: Some Reflections on the Architectural History of Chartered Accountants' Hall, London, 1989-1893." *Accounting, Organisations and Society*, Vol. 22, No. 8, 1997, pp. 779-798.
- Napier, C. J. "'Allies or Subsidiaries?' Inter-Company Relations in the P&O Group, 1914-39." *Business History*, Vol. 39, No. 2, 1997, pp. 69-93.
- Nasi, S. and J. Nasi. "Accounting and Business Economic Traditions in Finland—From a Practical Discipline into a Scientific Subject and Field of Discipline." *The European Accounting Review*, Vol. 6, No. 2, 1997, pp. 199-229.
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#### *NOMINATIONS...continued from page 10*

data should be sent to:

Professor Lee Parker  
Chair—Hourglass Award Panel  
School of Commerce  
The University of Adelaide  
Adelaide  
South Australia 5005

Closing date for nominations reaching  
Professor Parker is July 30, 1999.

### **Membership Directory- A Reminder**

The Academy's Membership Directory  
has been placed on the Web as part of the

Academy's Home Page. As a result, the Academy will not mail out the printed copy of the Membership Directory as in previous years unless such a copy is specifically requested. The web address is <http://weatherhead.cwru.edu/Accounting>. For those without Internet access, a limited number of printed Membership Directories will be available upon request. If you need a printed copy of the Membership Directory, please contact Kathy Rice, Administrative Coordinator, The Academy of Accounting Historians, Culverhouse School of Accountancy, The University of Alabama, Box 870220, Tuscaloosa, Alabama, 35487-0220.

## A BRIEF REVIEW OF THE PRESENTATION OF "COST IN TWENTIETH CENTURY AMERICA"

by

Richard Vangermeersch, University of Rhode Island

C. J. McNair, Babson College

*The following comments are based on the presentation of a research paper at the Academy's Research Conference in Atlanta on November 14, 1998.*

Vangermeersch and McNair have recently expanded their study of cost to the 20th Century in *Total Capacity Management*<sup>1</sup> and wanted to update their previous finding. This paper provides another look at the research finding that the National Industrial Recover Act of 1933 marked the disconnection of cost/management accounting from engineering reality.<sup>2</sup> In the presentation, Vangermeersch used a three period, six topic figure similar to Figure 1.

Figure 1  
Three Periods, Six Topics

Time Period	Period Class	Era	Rulers	Key Persons	Capacity Philosophy
(1) 1890-1932	Efficiency	Engineering	Technocrats	H.L. Gantt; H. Ford; H. Hoover; T. Veblen; S. Chase; F.W. Taylor; A.H. Church	Produce at max; low cost, low price
(2) 1933-1982	Distribution	Accounting	Bureaucrats	FDR; H. Johnson; OPA officials; H. Truman; R. Nixon	Limit... Production; high cost; high price
(3) 1983-	Global and Free Markets	Consumerism	"Datacrats"	R. Kaplan; H.T. Johnson R. Cooper; J. Shank and V. Govindarajan C. Berliner and J.A. Brimson	Selective production; explain non-utilization

The first four topics for the first period are no surprise, as are key people like Gantt, Ford, Hoover, and Taylor. Vangermeersch added Stuart Chase and Thorstein Veblen to the list, because of his recent research on them. Veblen is probably the best-known American critical economist of this time period. Chase was one of his popularizers and interpreters (for Veblen needed and attracted many of these). He had provided a philosophical base to the technocrat era. A society

that was not producing at maximum capacity, at a low cost due to this volume absorbing overhead, and at a resultant low price was a wasteful society.<sup>3</sup>

The year of 1933, as the first year of the New Deal, is generally viewed as a turning point in American life. There is much controversy over the end of the period. Was it 1973, the year of the first oil crisis or 1979, the year of the second oil crisis? The presenters choose 1982 as the end of the period,

when Ronald Reagan began to leave his impact on our society. This era had as its prime concern the distribution function of who received what from the economic system. It was based on either a self-contained economy or a war economy, which took about ten years to adapt to shocks of 1973.

Roosevelt and Truman were presidents whose social viewpoints are well known. Hugh Johnson was a key player in the passage of the National Industrial Recovery Act and the first head of the National Recovery Administration. Office of Price Administration (and subsequent agency titles) officials were instrumental in both World War II and the Korean Conflict. Nixon was, briefly, an OPA bureaucrat in Washinton, DC and later reestablished price controls in his presidency. Accountants, such as Herbert F. Taggart, T. H. Sanders and Eric L. Kohler helped establish a new world for accounting. A key difference between technocrats and bureaucrats was the different philosophies towards capacity and its utilization. Roosevelt definitely rejected the technocrat philosophy of maximum production, minimum costs (especially wages), and low prices.

The third period remains one based on global and free markets. It is centered on value for consumers. The term "Datacrats" was used to reflect the era of information in which those who control the data rule organizations. Vangermeersch used the very recent article "Taming the Data Deluge" as an example.<sup>4</sup> He considered Kaplan's 1983 article in the *Accounting Review* as the start of the major adaptation of accounting to the new world.<sup>5</sup> In this new world American business favored a selective production philosophy with more and more interest in explaining why capacity was not utilized at an ideal level.

In the body of the paper, the ambiguous nature of "cost" is stressed. The last fifteen years have been marked by a renewed interest in the topic. In effect, American business seems to be paying more attention to such engineers as H.L. Gantt. In that move, the

medieval-based notion of Roosevelt on the "just price" has been replaced by, for instance, "target costing." Both the National Recovery Administration and the Office of Price Administration used a cost-based pricing system, which is in effect a "just price" system. As long as the United States could isolate itself and then, after World War II, be the dominant player in the world economy, accounting and accountants could be governing.

The global and free market era changed the game and cost/management accounting adapted to the new world of the consumer rules. The presenters posit that cost/management accounting has been adaptive to the economic world that it faced. Perhaps cost/management accounting has never lost relevance.

The discussant, Professor Ed Arrington, correctly questioned the use of the term "rhetoric" in the first draft. He felt the paper stressed the political process rather than the rhetorical process. He discussed how a linguist would view how "cost" has been used in the 20<sup>th</sup> Century. Vangermeersch thanked the discussant for his helpful and insightful comments.

## ENDNOTES

<sup>1</sup>McNair, C.J. and Richard Vangermeersch, *Total Capacity Management: Optimizing at the Operational, Tactical, and Strategic Levels* (Boca Raton, FL: St. Lucie Press and The IMA Foundation for Applied Research, 1998).

<sup>2</sup>Vangermeersch, Richard and C.J. McNair, "The National Industrial Recovery Act of 1933 and the National Recovery Administration: The Cause of the Disconnect of Managerial Accounting from Reality," *Accounting Historians Notebook*, Spring 1997, pp. 9-11.

<sup>3</sup>Chase, Stuart, "The Challenges of Waste to Existing Industrial Creeds," *Nation*, Feb. 23, 1921, pp. 284-287.

<sup>4</sup>McKie, Stewart, "Taming the Data Deluge," *Business Finance*, Nov. 1998, pp. 34-38.

<sup>5</sup>Kaplan, Robert S., "Measuring Manufacturing Performance: A New Challenge for Managerial Accounting Research," *Accounting Review*, Oct. 1983, pp. 686-705.



## A PREVIEW OF EVENTS

### THE FIRST ACCOUNTING HISTORY INTERNATIONAL CONFERENCE

*Accounting History*, the journal of the Accounting History Special Interest Group of the Accounting Association of Australia and New Zealand is sponsoring The First Accounting History International Conference in Melbourne, Australia, August 4-6, 1999. The conference will feature topics regarding the advent and development of accounting bodies, ideas, practices, and rules and identify the individuals and environmental factors which affected accounting. Conference papers will include a variety of approaches such as biography, prosopography, business history through accounting records, institutional history, and oral history. The latest conference information is available on the web at: <http://www2.deakin.edu.au/acc-fin/JOUR->

[NAL/journal.htm](http://www2.deakin.edu.au/acc-fin/JOUR-NAL/journal.htm). Professor Garry Carnegie, School of Accounting and Finance, Deakin University, Geelong Victoria 3217, Australia, is responsible for the program.

### U.S. ACCOUNTING HISTORY AND HISTORIOGRAPHY

A special issue of *Accounting, Business & Financial History* entitled "U.S. Accounting History and Historiography," is being co-edited by Richard K. Fleischman and Thomas N. Tyson. The anticipated date of issue is Spring, 2000. Critical and traditionalist historians have written extensively on U.S. accounting themes and topics during the past quarter century. This special issue is dedicated to papers which will focus either specifically on U.S. developments or on comparative studies between the U.S. and other countries.



## NEW BOOKS IN ACCOUNTING HISTORY BY ACCOUNTING MEMBERS

Professor Dick Edwards, together with two colleagues at the Cardiff Business School, UK (Dr. Derek Matthews and Malcolm Anderson) has recently co-authored *The Priesthood of Industry: The rise of the professional accountant in business management* published by Oxford University Press.

The leading professional accountancy bodies in Britain today boast more than a quarter of a million qualified members and accountants are moving into top management positions in increasing numbers. Indeed accountants have become the foremost professional grouping in British business management.

*The Priesthood of Industry* documents the rise of the accountancy profession, from the handful of accountants listed in

the trade directories of the major cities in the late-eighteenth century to the huge commercially-oriented firms of the late-twentieth-century. The authors focus on the individual, the professional accountant, and adopt an economic determinist analysis to explain the rise of public practice and the transfer of staff to industry in increasing numbers. They also consider the routes through which this transfer of skills took place, and identify demand and supply-side factors to explain the professional accountant's present hegemony in business management.

The book may be ordered from Oxford University Press at the price of £40. Telephone +44 (0) 1536 741 519; fax +44 (0) 1536 746 337; e-mail [book.orders@oup.co.uk](mailto:book.orders@oup.co.uk).

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### *REPORTING...continued from page 1*

companies that may offer innovative products and services that add value, and undermines the securities market.

Without adequate information, users of business reporting cannot judge properly the opportunities and risks of investment alternatives. To make informed decisions, they need a variety of information, including data about the economy, industries, companies, and securities. Complete information provided by the best sources

enhances the probability that the best decisions will be made. And for company-specific information—which is key because companies are the sources of cash flows that ultimately result in the return on securities or the repayment of loans—management often is the best source. Business reporting packages management's company-specific information and delivers it to users in a meaningful way.

Few areas are more central to the national economic interest than the role of

business reporting in promoting an effective process of capital allocation. It simply must be made to work as well as possible.

### **Business Reporting in an Era of Change**

Increased competition and rapid advances in technology are resulting in dramatic changes. To survive and compete, companies are changing everything—the way they are organized and managed, the way they do work and develop new products, the way they manage risks, and their relationships with other organizations. Winners in the marketplace are the companies that are focusing on the customer, stripping away low-value activity, decentralizing decision making, reducing the time required to perform key activities, and forming new alliances with suppliers and customers—even competitors. They are setting the pace for others that must, in turn, reexamine their businesses in light of the increased competition.

In response to increased competition and changes in their businesses, companies also are changing their information systems and the types of information they use to manage their businesses. For example, they are developing new performance measures often designed to focus on activities that provide long-term value and competitive advantage, including non-financial measures such as product development lead time and financial measures such as economic value added.

Can business reporting be immune from the fundamental changes affecting business? Can effective business reporting exclude new performance measures on which management is focusing to manage the business? In times of rapid change, the risk increases that business reporting will fall behind the pace of change, failing to provide what users need to know. Today, more than ever, business reporting must keep up with the changing needs of users or it will lose its relevance.

Highly relevant business reporting also is important for the long-term vitality of the accounting profession. Accountants—those

in industry, public accounting, education, and research—are closely associated with the process of business reporting and have an interest in ensuring its relevance. This task is analogous to the product and service redesign undertaken by many successful businesses to meet customer needs better. Cost-effective improvements in business reporting will enhance its value both to users and to the profession, just as improvements in products enhance value both to the consumer and to the producers of those products.

### **The Need for Reporting Standards**

Some constituents, including many companies, while acknowledging the importance of high-quality business reporting, question, the need for standards improving business reporting. They ask: Why not let the marketplace for capital determine the nature and quality of business reporting? The marketplace, they argue, already offers powerful incentives for high-quality reporting. It rewards higher quality reporting and punishes lower quality reporting by easing or restricting access to capital or raising or lowering the cost of capital. Additional reporting standards, they argue, would only distort a market mechanism that already works well and would add costs to reporting, with no benefit. They liken reporting standards to costly, inefficient, unnecessary bureaucratic regulations.

However, reporting standards play an important role in helping the market mechanism work effectively for the benefit of companies, users, and the public. More specifically, reporting standards are needed because they:

- *Promote a common understanding of terms and alternatives that facilitate negotiations between users and companies about the content of business reporting.* Today, for example, many loan agreements specify that a company provide the lender with financial statements prepared in accordance with generally accepted accounting principles. Both the company and the lender understand that term. The

company understands what must be done to prepare those statements and the lender is comfortable that statements prepared according to those standards will meet its need for information. Without standards, the statements would be much less useful to the lender, and the company and the lender would have to invent for themselves satisfactory standards—which would be inefficient and less effective than using generally accepted standards.

- *Promote neutral, unbiased reporting.* Companies may wish to portray their past performance and future prospects in the most favorable light. Users are aware of this potential bias and are skeptical about the information they receive. Standards help insure more neutral, unbiased reporting, which, in turn, builds credibility and confidence in the capital marketplace to the benefit of both users and companies.

- *Improve the comparability of information across companies.* Without standards, there would be little basis to compare one company with others—a user goal and a key feature of relevant information. Just as “truth in packaging” regulation enables consumers to compare the contents of food products, so should standards for business reporting promote comparability of information about companies.

- *Permits audits of information.* Auditors verify that information reporting in accordance with standards; without standards, audits would be less meaningful.

- *Facilitate retrievability of information by organizing data according to a framework.* A consistent approach to organizing the presentation of information assists users in accessing information in an efficient manner and facilitates prompt decision making.

For many years, financial statements and, in the broader arena of business reporting, filings with the Securities and Exchange

Commission (SEC) have been prepared following standards, producing highly useful information. Standards in business reporting have proven their worth.

What I have just said was taken, nearly verbatim, from the first chapter of the Comprehensive Report of the AICPA's Special Committee on Financial Reporting, which I had the privilege to chair. To me those words are a good summary of:

- The need for sound, comprehensive business reporting—an efficient and effective capital allocation process.
- The focus of business reporting on investors and creditors—the users of information.
- The reasons the nature of business reporting is changing—technology, changes in businesses and how they are managed.
- The need for reporting standards—but much broader than a focus on financial statements and the notes thereto.

### The AICPA Special Committee on Financial Reporting

The Special Committee was formed out of a concern that financial reporting no longer was as relevant as it should be. And, if that was so, then how relevant was—or would be—the accounting profession. At the start, the Special Committee's focus wasn't on users and it wasn't on business reporting either. Consider the Committee's name—“Financial Reporting.”

We soon found however, that we weren't any better at “fixing” financial statements than any other prior study group or the FASB itself. We were each burdened by our backgrounds, biases and experiences. We needed focus and a common objective.

The purpose of financial reporting and business reporting is to provide information for decision making. We decided to focus on those who make decisions—investors and creditors—the users, indeed the customers, of business information. We also concluded that the users that needed this information were those that could not compel receiving the information.

In the end the title of our report was, "Improving Business Reporting—A Customer Focus—Meeting the Needs of Investors and Creditors."

The Special Committee found, when it completed its work, that most of the information needs of investors and creditors were outside of the traditional boundaries of financial statements and related notes. As a result we developed a much broader business reporting model—a comprehensive model consisting of ten elements. And, we concluded that to meet user's changing needs, business reporting must:

- (a) Provide some information with a forward-looking perspective, including management's plans, opportunities, risks, and measurement uncertainties.
- (b) Focus more on the factors that create longer term value, including non-financial measures indicating how key business processes are performing.
- (c) Better align information reported externally with the information reported to senior management to manage the business.

### **The FASB's Business Reporting Research Project**

The Special Committee's recommendations were passed on to, among others, the FASB. In some sense. I now find myself the recipient of my own recommendations. So much for passing the buck!

The FASB then issued an Invitation to Comment on what it should do with the recommendations. The responses were mixed, with many respondents concerned that the FASB would set standards for reporting information outside the financial statements. They feared that the Boards' standards would be too prescriptive and result in a boilerplate approach in areas that cried for flexibility and presenting the information from a management perspective. Respondents also were concerned that the standards might lead to the information being subject to audit with all of the costs and other baggage attendant thereto.

However, the respondents did confirm

the importance of the business reporting information, and the effort provided an opportunity for the Board to affirm that it's mission encompassed a broader scope than only financial statements.

Finally, in January, 1998, the Board decided to undertake a research project—not a standards-setting project—in this area. The overall objective is to identify and make publicly available best practices in a variety of industries for disclosures of business information. This, it is hoped, will result in the voluntary flow of more meaningful data to investors and creditors and serve to keep U.S. business reporting on the cutting edge of global reporting.

The project is underway and is expected to be completed in two years. It involves a coordinated effort between the FASB and its constituents with most of the resources coming from the later, including the academic community. Those involved are divided into teams with each of five teams studying two industry groups, one team working with the SEC to coordinate GAAP and SEC disclosure requirements and eliminate redundancies, and a final team studying the electronic delivery of information.

The interest in and enthusiasm for this project on the part of those participating bodes well for its success.

### **The FASB's Disclosure Effectiveness Project**

One of the recommendations of the Special Committee was that "standard setters should search for and eliminate less relevant disclosures." As far back as 1980 when the Board issued an Invitation to Comment, Financial Statements and Other Means of Financial Reporting, the FASB has been concerned about disclosure effectiveness. However, little was done other than address the cost-benefit question as a part of individual standards.

However, in 1995, the Board issued a prospectus on the subject in direct response to the Special Committee's recommendation. Among the responses were suggestions to develop a conceptual framework for disclo-

sure, but the Board concluded that not enough information was available at the time to develop such a framework.

So, the Board took an inductive approach and addressed disclosure effectiveness in the context of disclosures about pensions and other postretirement benefits. The result was Statement No. 132, issued in February of this year.

The Board continues to be interested in this topic. It may take another existing standard and consider how the prescribed disclosures could be improved. It may consider in current standards projects whether some disclosures are primarily transition oriented and thus subject to a sunset provision. It may take another look at developing a conceptual framework for disclosure. In any or all of these potential projects, the focus should be the same—providing effective information for decision making by investors and creditors.

#### The Current Need for Improved Business Information

The current situation in Asia, particularly Japan, Russia, and Brazil make crystal clear the need for better and more credible information for decision making. This need when juxtaposed with the present focus on developing global financial reporting standards and the recent attempts in Congress to derail the FASB's project to provide better information on derivatives and hedging activities, should spur the accounting profession, of which we are all a part, to continue

to work on behalf of investors and creditors.

The global financial market place is here—or nearly so. It is being led by technology and the resulting instantaneous access to information. We need a global business reporting system to serve that market. And, it will happen because both companies and investors will demand it, and they deserve it. Instantaneous access to information is only as good as the information provided, and recent events have shown that global business reporting is not yet good enough.

Lawrence Summers, deputy secretary of the U.S. Treasury summed it up when he said recently, "...the single most important innovation shaping (the American capital) market was the idea of generally accepted accounting principles. We need something similar internationally."

#### Conclusion

Carved in the Supreme Court are the words, "The Past is Prologue." It's said one Washington, DC taxi driver explained that to some visitors as meaning, "you ain't seen nothing yet." Now that may not be quite how you accounting historians would explain the phrase, but I believe that the evolution of business reporting will continue, that it will be broader in its scope, while at the same time more focused on its purpose. It will be global in its coverage, while directed toward management's actions and plans. It will meet the decision making needs of investors and creditors.

In other words, you ain't seen nothing yet.



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*PRESIDENT...continued from page 2*

dedication and time in serving the Academy. Without their efforts, there would be no Academy.

Third, following invaluable advice from key members in Europe, Canada and Australia, and with the considerable support of past president Gary Previts of Case Western Reserve University, I have initiated the Academy's Comparative International Accounting History Research Consortium. This will meet for the first time in Tuscaloosa, Alabama in May 1999 to discuss comparative research currently under way, and to plan for the Consortium's future. Membership of the Consortium is by invitation, and aimed primarily but not exclusively at younger and emerging scholars in accounting research. My wish is that the Consortium identifies and invites future members, and releases existing members when they become scholars with national reputations. The emphasis is therefore on regeneration and renewal rather than fossilisation. The future of the Academy and, indeed, of the accounting history research community, is dependent in large part on how these scholars interact with each other in the years to come and thereby build on the hard work of previous generations of the Academy and similar bodies. I particularly wish to thank the 8 American and 12 non-American invitees attending the Consortium in May. I am certain that they will provide a strong platform for the Academy's work in the next century.

Fourth, the Academy's 1999 annual conference will take place in Toronto, Canada from November 18–20. Details of the conference are stated elsewhere in this publication, but I would like to take this opportunity of expressing my delight at this innovation. Taking the annual conference outside the United States is long overdue, and I hope this will be the forerunner of many more. Toronto is a great location, and the theme and programme will be consistent with the Academy's strategy of embracing all of its members. I also wish to express my

sincere thanks to Gary Spraakman of York University and his international advisory group for their diligence, expertise, time, and hard work in planning the conference. They deserve a huge round of applause.

Fifth, within the 1999 committee structure, I have asked various chairs to consider specific remits. For example, we have a new committee, chaired by John Rigsby of Mississippi State University, charged with establishing a written set of administrative procedures for the Academy. Most of these procedures are in place, but have never been committed to paper for future reference. The current officers and trustees believe written, agreed procedures are essential for future generations of officers and trustees to manage the Academy efficiently and effectively. I have also asked the research committee, chaired by Keith Macmillan of Rockhurst College, to consider ways of identifying and preserving archival materials of professional bodies, public accountancy firms, and other organizations which are essential to the future of accounting history research. I regard this effort as analogous to saving whales or tropical rain forests. I am convinced by recent experiences that we are losing important accounting archives around the world on a regular basis. We also have to consider the issue of preserving archives in an electronic age. I hope the research committee can start this international effort on behalf of the Academy.

My final thoughts are directed at you the reader and member of the Academy. You pay an annual subscription, and receive the tangible returns of the *Accounting Historians Notebook and Journal*. However, the Academy is not just about providing publication access and news. More importantly, it is about encouraging, sustaining and developing the practice of accounting history research. I am proud to be a member and officer of the Academy, but I am prouder still of being an accounting historian. I believe that the discipline of accounting is incomplete without a historical focus. Thus, we need historians and historical research. But

these things can only be sustained effectively if we have viable professional bodies such as the Academy. I would therefore encourage you to go beyond being only a journal-receiving member and, instead, become involved in the work of the Academy and the life of the community. Without your commitment to these things the future of the Academy will be less bright than it should be. If you have ideas to sound out, or would like to be involved, please get in touch with any of the officers (particularly the vice-presidents who will be in charge in the near future) and the relevant committee chairs. Details of these individuals are given elsewhere in this *Notebook*.

Thank you for your time in reading this message, and every success in the classroom, archive or library.

Tom Lee  
President of the Academy of  
Accounting Historians

Tom Lee is Hugh Culverhouse Endowed Chair of Accountancy and State of Alabama Eminent Scholar in Accounting at the University of Alabama. He holds hon-

orary professorships at Deakin University, Australia and the University of Dundee, Scotland, and previously held chaired positions at the Universities of Edinburgh, Scotland, and Liverpool, England. He is a Scottish chartered accountant, convener of the Scottish Committee on Accounting History, and member of the Research Committee of The Institute of Chartered Accountants of Scotland. Professor Lee has been a member of the Academy of Accounting Historians since its formation, and is a former trustee. He is committed to the teaching of accounting research, and at Alabama teaches the initial doctoral seminar on research design by focusing on the history of accounting research within a framework of the philosophy of science. Professor Lee is well-known for his research in financial reporting and auditing (especially cash flow accounting) and the professionalisation of accounting. However, he has published accounting history research continuously since 1969, and is the author of numerous books and refereed journal articles on a number of historical topics. His current research is funded by The Institute of Chartered Accountants of Scotland, and concerns two topics - the foundation of professional accountancy in Scotland in the mid-nineteenth century, and the emigration of United Kingdom chartered accountants to the United States at the end of the nineteenth century. He is also working on a book of readings for Garland Press with Steve Walker of the University of Edinburgh.

## *Accounting, Auditing and Accountability Journal* Call for Literary Submissions – Short Fiction and Poetry *Literature and Accounting*

The *Accounting, Auditing and Accountability Journal* includes in each issue a short section devoted to imaginative writing. The editors are interested in receiving submissions in the widest range of genres and subject areas, though the section has special emphases and preferences.

The editors are seeking:

- submissions which bear some relationship to accounting and finance, though such links may be interpreted very broadly;
- submissions which offer new critical and analytical perspectives on commerce, money and the accounting profession, with an emphasis upon the power of imaginative writing to provoke alternative "ways of seeing";
- submissions which probe parallels and conflicts between fictional and professional forms of reality construction, and which explore and expose the fictions which underwrite our vision of the real;
- submissions of an experimental kind, which explore new techniques and combinations of forms, and generally extend the resources of imaginative writing.

The editors are particularly interested in receiving submissions in the form of short prose fiction, whether as short stories, parodies or cross-genre experimental work.

Submissions should be sent to:

Associate Professor Michael Meehan • Literature Editor, AAAJ  
School of English and Drama, Flinders University • Bedford Park 5042, South Australia  
Telephone 61-8-8210 2217 • Fax 61-8-8201 2556

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of MSR, which added some perspective. The early evolution of financial statements for this small railroad proved interesting. The first financial statement, Receipts and Payments of Cash, first appeared in 1848 and was present in all annual reports after that. A virtually complete set of financial statements (Balance Sheet, Statement of Income and Expenditures, and Cash Receipts and Disbursements) was issued only in 1851 and 1852 (for fiscal years 1850 and 1851). the financial statements for fiscal year 1850 are presented in Table 1. After 1852 no Balance Sheet appeared, but a Statement of Income and Expenditures was present in seven of the nine annual reports after 1852. "The Depreciation Fund" was created by the Governing Board in 1846, which operated much as retained earnings (i.e. it was the accumulated "income residual" and reported as an equity item).

The focus on individual company and industry financial statements is an appropriate area for continued research analysis. Information on the major railroads is voluminous. For example, several books have been written about America's first railroad, the Baltimore and Ohio (B&O), including Hungerford (1972) and Stover (1987). B&O annual reports are available from the Maryland State Archives in Annapolis. The Lippincott Library has 14 annual reports of the Pennsylvania Railroad (1847-1907 period) on line at [www.library.upenn.edu/lippincott/](http://www.library.upenn.edu/lippincott/).

### Individuals

Biographical information is available for most prominent citizens. Biographical dictionaries exist for dozens of categories. An example is *Biographical Dictionary of American Business Leaders*, which includes 1,159 historically significant individuals from colonial to modern times. The *National Cyclopedia of American Biography* has information on prominent citizens from the early 1700s and is indexed by volume. The *Dictionary of National Biography* contains biographical data on individuals from Colonial to modern

times and is presented in alphabetical order. A new edition of *American National Biography* (24 volumes) will be published in 1999, which will include extensive business biographies. Other biographical information can be found by searching state and local libraries in the area in which the individuals lived.

Genealogical libraries specialize in gathering biographical data on individuals. The Genealogy Library in Salt Lake City is the most extensive in the world. One source available from this library is the *Family Search Data Base* on CD-ROM (often available through libraries or churches). *The New York Times Index* and *Palmer's Index to the Times (London)* are useful sources associated with specific events and the Personal Name Index for obituaries. Census and court records by state and county can be useful, especially for individuals not particularly prominent. Most legal transactions (wills, deeds, estates, etc.) should be available in the court records. State archives and state historical societies may have extensive information. Again is the problem of indexing. Some sources are fully computerized with internet searching capabilities, others have an idea that the needed data may be somewhere in the basement.

An interesting example is an 1839 letter from ex-Governor John Reynolds of Illinois to current Governor Thomas Carlin from London, complaining about the difficulty of borrowing money. The transcript of this letter is presented in Table 2. The Illinois governmental records are extensive. *Governors' Letter-Books* from Illinois include correspondence from both Reynolds and Carlin. A number of books exist on the early history of Illinois, including one written by Reynolds.

The key issues associated with this letter were based on the earlier decisions of the Illinois Legislature under Governor Joseph Duncan (Carlin's immediate predecessor). The state decided to fund the construction of the Illinois and Michigan Canal (based on the success of the Erie Canal) and, later, a network of railroads. Illinois did not have the tax base to support these projects (most

TABLE 1  
Financial Statement of MSH for Fiscal Year 1850

A

*Statement of the Receipt and Payment of Cash by The Treasurer of the Mine Hill and Schuylkill Haven Rail Road Company, from Jan. 1, to Dec. 31, 1850*

RECEIPTS		PAYMENTS	
Balance on hand Jan 1, 1850	\$ 18,819.85	Expenses of motive power dep't,	\$ 37,851.79
Received for new stock issued,	80,000.00	Machinery for shop,	302.70
for bills receivable		Paid order in favor of Sup't, for disbursements	
taken for tolls,	142,292.39	on account new road, re-location of old road,	
from Wm. Newell, Coll'r	6,729.85	and current expenses,	52,178.57
for iron rails, & c. sold	1,120.87	Iron rails purchased,	23,754.87
for bills payable	19,880.00	Engines bought,	3,529.99
for dividend and interest	257.89	Bills payable, note discounted,	20,000.00
for locomotive engine sold	9,300.00	Dividends and interest,	83,033.59
advance (on account water		State taxes on dividends of 1849,	3,600.00
station) returned	100.00	Real estate to straighten road,	2,440.00
		Spikes,	715.32
		Trucks,	500.00
		Note discounted,	991.50
		Expenses, damages and sundry claims paid in Phila.	4,888.01
		Balance of cash on hand, Dec. 31, 1850,	44,414.51
	<u>\$279,500.85</u>		<u>\$279,500.85</u>

E. E. SAMUEL MASON, Treasurer

B

*Summary Statement of Debits and Credits or Ledger Balances, January 7, 1850*

DEBITS		CREDITS	
Cost of road and laterals,	\$ 742,582.07	Capital Stock,	\$800,000.00
Cost of engines and trucks,	76,335.23	Depreciation Fund,	21,332.58
Real estate,	8,442.93		
Machinery for shop,	2,433.90		831,332.58
Stock,	2,500.00	Philadelphia and Reading Rail Road,	1,250.00
		R. A. Wilder, for Iron sold,	2,761.05
	832,294.13	R. A. Wilder, Superintendent motive power	
Cash on hand,	44,414.51	department,	2,699.89
Bills receivable,	14,756.89	Dividends and Interest,	56,412.34
Due by Collector,	5,232.35	State Tax,	4,600.00
Due by Superintendent,	2,218.89	Relief Fund,	189.95
Amounts due by sundry persons,	1,359.06	Unpaid Tolls,	1,030.02
	<u>\$900,275.83</u>		<u>\$900,275.83</u>

C

*Summary Statement of Debits and Credits or Ledger Balances, January 7, 1850*

RECEIPTS		On acc't of wages, materials and other expenses in the repair and maintenance of the road,	
Amount charged for tolls and use of power, & c.	\$157,095.22		11,806.65
Collections from old dues,	120.87	Old claim for materials,	102.19
Rents of tenements,	138.53	Expenses of office, salaries, & c. in Philadelphia,	4,467.18
For loan of engines,	372.50	Interest allowed upon installments for new stock,	1,167.78
	157,727.12	Dividend No. 33, August, 1850, on \$720,000, 5 p. c.	36,000.00
Less tolls likely to be lost,	574.42	Dividend No. 34, January, 1851, on \$800,000, 7 p. c.	56,000.00
Net income for the year,	\$157,152.70	State tax on dividends,	4,600.00
		Balance appropriated to the depreciation fund,	3,178.62
			<u>\$157,152.70</u>

TABLE 2

July 28, 1839

John Reynolds to Gov

To: His Excellency  
Gov Carlin  
Quincy, Illinois  
United States

London 28th July 1839

Dear Sir:

I hope to be able in person to give you a full account of my public acts this fall, and will explain the reason it is so difficult here to effect a loan of money. You will be astonished when I inform you that there are almost one hundred million of dollars of state bonds in this market.

This is too much for the market, and in-fact money here is scarce. The Bank of England loans money at 5 1/2 per cent per annum. This shows at once the non sale of state securities. There is no objection to the bonds and particularly to the bonds of Illinois; but a want of money to purchase them. We have though, hopes of succeeding. We will leave no act undone, that will secure the state its money to carry on her public works.

Judge Young has not yet arrived in this city. We rec'd a letter from by which we learn he will be here about the first of August. I will return home on the 24 August and be in Illinois, I hope, in October next.

We have no news more than you see in the papers. The people of this country are displeased with their government and are carrying on their business with a high hand at Birmingham and other places. I cannot say what will be the result. I fear the government is to (?) that the people at this time cannot be free—they will at some future period.

I (?) in the House of Peers and know that body cannot compare with either house of our congress. They were discussing the Canada question and I think these Lords do not know much about free government. They have a horrid idea of the ballot system of voting. They also dislike Democracy.

The country is improved here to the utmost—nothing is left undone that will make(?) wealthy, as far as improvement can bestow it.

Wlm Welston (?), Lynn Vander (?), EG Marsh and hundreds more of Americans are here and in Paris—Europe is crowded with Americans.

A great portion of these are here for cash or some scheme or other. We are in good health and have our eyes fixed on Illinois Gov Carlin.

Your friend,  
John Reynolds

appointments were deemed "bad judgment" by Howard (1972). Thus, the Reynold's letter was based on this appointment. He was in London to negotiate selling Illinois bonds to investment bankers. Reynolds and Young were ultimately successful, however, selling them below par to the disappointment of Carlin. Unfortunately, Illinois defaulted on the interest payments in 1841, and Carlin left the mess to his successor, Governor Thomas Ford. Ford eventually imposed a property tax and interest payments were resumed, the Canal finished in 1848, and the railroads sold to the Illinois Central Railroad.

This is a point in history involving the settlement of Illinois, the development of railroads and canals, international banking, and public policy. This letter involved two important historical players, although neither was a hero in this episode. There is considerable historical information available, somewhat surprising for events from 1840.

#### Background to Time Periods, Locations, Government or Business Categories

Background information can take virtually any form. Library indexes could be the first search technique, focusing on general histories, textbooks, biographies, and so on. *United States Business History, 1602-1988* chronicles business events and historical data. *Poole's Index* includes all journal articles from 1882. It was bought out and replaced by *Readers Guide*. *The Economist* is on microfilm from 1843. There are extensive sources on the history of most business categories; e.g., several books have been written on each of the major 19th century U. S. railroads.

A number of books and articles have been written about the U. S. Sanitary Commission and the Sanitary Fairs. The context was the Civil War and efforts to improve the living conditions of Union soldiers. The Commission served three functions: (1) inspect military camps and hospitals for sanitary conditions, (2) provide medical and other supplies needed by hospi-

transportation systems at the time were constructed and run privately). Then, the Panic of 1837 struck, followed by a banking crisis in Illinois. Carlin was elected Governor in 1838 and attempted to continue construction, while accumulating massive debt. To negotiate further loans in New York and London, Carlin sent Reynolds (a member of the U. S. House of Representatives at the time) and U. S. Senator Richard Young. The

tals and military camps, and (3) provide care and other services to wounded and other veterans. Money and supplies were raised by voluntary contributions. This organization can be considered a precursor to the American Red Cross and other voluntary health and welfare organizations.

One fund raising mechanism was the use of Sanitary Fairs at major cities. The largest was the Great Central Fair at Philadelphia in June 1864 which raised over \$1 million. Of particular interest to accounting historians are the mechanisms used to raise money and how the money was spent. Although much has been written about the U. S. Sanitary Commission and Sanitary Fairs, virtually none of it discusses the underlying finances or accounting issues. The Sanitary Commission archives are at the New York Public Library, waiting for analysis.

In addition to *The Accounting Historians Journal*, there are business history journals such as *The Business History Review*, *Business and Economic History*, and *Bulletin of the Business Historical Society*. Important historical references such as the recently revised *A History of Accountancy in the United States* (Previts and Merino, 1998) provide important background information. Various special collections exist, such as the *Goldsmith Kress Economic Collection*, which includes 57,000 documents from the 1400s to the 1850s from Britain and America.

Various government resources are available. The *Congressional Hearings* data base is a CD-ROM index of testimonies before Congress, Congressional hearings and documents, committee reports and miscellaneous documents. Local government information can be found in halls of records or court houses. Presidential papers are available on microfilm for all presidents from George Washington to William Howard Taft. Modern presidents beginning with Herbert Hoover have their own presidential libraries, the most recent being the George Bush Library at Texas A&M University. Presidential papers typically

contain speeches, correspondence to and from the presidents, diary entries, and various documents.

The *Congressional Serial Set* gives information of events, names and subjects brought before Congress and is indexed. The *Executive Branch Documents* lists documents from the War Department and the U. S. Treasury from 1789-1932. Also available are official declarations/orders from presidents, beginning in 1789. The *SIRS Government Reporter* is a general index of major government documents.

Consider a letter from 1879 stamped "Treasury Department" and addressed to "My Dear Conant", in London. The four page letter was signed J. K. Upton, First Class Clerk (and later Assistant Secretary of the Treasury). A transcript of this letter is presented in Table 3. Also enclosed was an 1874 Treasury Department regulation (Circular No. 74) signed by Chas. Conant as Acting Secretary of the Treasury. The primary purpose of the letter was to respond to Conant's request for information on Treasury Department reimbursement for out-of-pocket expenses and per-diem allowances. Upton indicated the 1874 regulation to indicate that the per-diem was denied.

Conant was Charles F. Conant, Assistant Secretary of the Treasury in 1879. His promotion was reported in *The New York Times* and *The National Republican*. He also testified before Congress (Congressional Hearings, 1876) and received letters from the Grant White House (Ulysses S. Grant Papers). Conant entered the War Department in 1863. He was transferred to Treasury in 1865 as Assistant Chief of the Warrant Division, promoted to Chief in 1870, and Assistant Secretary in 1874. He assumed the role of Accounting Secretary when Benjamin Bristow (Secretary of the Treasury, 1874-76) became ill. He indeed signed the 1874 Circular. It was *his* regulation that denied him a per diem allowance in London!

State archives and historical societies can have extensive records. Consider a

TABLE 3

June 2, 1879

My Dear Conant

Yours of the 25th ultimo(?) came duly at hand. I can well understand your hesitancy in making payments of expenses where you have doubts of your authority in the premises, but I still think your letter of instructions was sufficiently explicit to warrant the payment without further advice of the ordinary expenses and no one can tell better than yourself of what proper expenses consist.

As to any per diem allowance I do not think such will be made. You seem to have forgotten the act of June 16, 1874 and the regulations thereunder and so I enclose a copy!

Nor given the passage of that act has there been to my knowledge any per diem allowed public officers where the Treasury bore the expense. Whatever allowances the Syndicate had to shoulder is cover (sic) within the scope of this act. In preparing your letter of instructions no mention was made of the \$5.00 lunch, but to that amount I certainly have no doubt of your authority to pay upon proper vouchers, in the usual manner. Still as you are responsible you must act as you think best. I only give you my opinion as a "friend of the family".

I presume you are now arranging matters with a view of closing our business in London. What a remarkable ending has come to our refunding operations! You can imagine perhaps the work is (sic) has thrown upon this office. the commission roll has been increased to about 150 names and even with the force work has been continuously kept up until late at night. In the registrars office all night. July will close the performance with a lively jig if not with a "break down".

Congress is here yet, the democracy having undertaken to ensure Republican success next year and the job is being well done. You can heavily realize the change of feeling throughout the country.

It seems like old times and but little doubt is entertainment of the future. Today the Democrats can not carry a single northern state and they know it. Their forecast strait is already pitiful and call to mind the old hymn—

He digged a pit—he digged it deep  
In hopes to catch his brother,  
But by his lies he did fall in  
The pit he digged for another.

Let me hear from you whenever convenient. Papers come regularly for which many thanks.

Regards to all

Yours Truly,

J K. Upton

stampless letter from Buffalo. The contents was the financial report of Union Bank of Buffalo for fiscal year 1840 (see Table 4). The letter was hand written and signed by the Cashier of the bank, notarized, and sent to the Register, a New York State official. It listed eleven specific financial items. The New York State Library faxed us *The Revised Statements of the State of New York* for 1836.

According to Section 19, each "monied corporation" (presumably the banks chartered by the state) was required to submit annually "a full statement of its affairs verified by the oaths of its...cashier or treasurer..." In Section 20 were listed the items presented by Union Bank. They were following the regulations to the letter. There was only limited balance sheet information and no data at all on revenues and expenses. In 1840, banks printed their own currency—the circulating loans under item 7. This information does not seem particularly relevant by today's standards, but compliance was perfect.

This was long before the federal regulation of banks or the beginnings of generally accepted accounting principles and represents an interesting example of accounting disclosure requirements and bank regulations of 150 years ago. Presumably, the state tabulated the data to monitor New York banks, make decisions on new charters, and consider additional supervision and regulation. Thus, the New York State requirements were the only protection the public had from bank corruption or bank failure.

Library catalogs are available in hard copy, on computer data bases such as *Notis* or *WorldCat*, and also through the internet such as the Library of Congress and the New York Public Library. State historical societies and state archives can be useful sources. These also may be closely linked with other organizations, such as those dealing with the Civil War.

### Computer Search Techniques

Computer technology, when available, shortens the analysis. Available information can be accessed fast using computer indexes and catalogs. Library books, articles, and archives often are available on-line or on CD-ROM. Particularly useful is the off-site search for information, often available on the internet. Once located, information often can be retrieved directly over the computer, obtained by interlibrary loans, or purchased



TABLE 4  
Transcript of Union Bank Statement

Union Bank of Buffalo

A full statement of the affairs of this bank an association formed under the act entitled "An act to authorize the business of Banking." Passed April 18, 1883 on the first Monday of July 1840.

First—The amount of capital stock paid in to the said Association	\$ 100,000
Second—Real Estate	none
Third—The amount of Stock held by said Association absolutely or as collateral security on the said first Monday in July was and still is as follows:	
1) Stock held absolutely Illinois' State Stock	\$ 100,000
Of which there is deposited with the Comptroller	\$ 85,000
2) Stock held as collateral security	none
Fourth—Amount of Debts due this Association on the said first Monday in July	
1) Debts due from moneyed corporations	
Due from Bank of Silver Creek	\$ 11,250
Due from Rumdon & Grosbeck N. Y.	\$ 9,156.19
2) Debts secured by Bonds and Mortgage	none
3) Debts in judgement	none
4) Other Debts	
Discounted bills & notes exclusion of interest	
Discounted bills & notes due supposed collectable	\$ 31,692.54
Debts of every kind in suit but not in judgement	none
Checks for cash & Certificate of Deposit	\$ 718.30
5) Losses	none
Fifth—Amount of Debts due by this association on the said first Monday in July	
The amount payable on demand and	\$ 84,050
The amount due to corporations or associations	none
Sixth—None under this head	
Seventh—The amount of Bills, notes or other evidences of Debt issued by this Association on the said first Monday in July 1840.	
Circulating notes	\$ 54,250
Bonds Issued	
Eighth—None under this head	
Ninth—The amount of debts during the six months preceding this statement due this association for	
January	\$ 57,838.92
February	56,768.81
March	59,417.23
April	55,945.17
May	58,756.09
June	52,198.71
The amount in each month during the same period of debts due from this association was for	
January	\$ 66,681.10
February	85,330
March	86,710.19
April	75,459.33
May	68,781.93
June	66,813.25
The average amount of specie possessed each month during the following period by said association was for	
January	\$ 6,875
February	7,756.14
March	6,235.89
April	6,125.08
May	7,227.76
June	6,156.19
The amount of bills & notes issued by this Association & put in circulation as money & outstanding against it on the first day of each of the preceding six months was as follows for	
January	\$ 61,250
February	81,810
March	83,209
April	75,456
May	71,223
June	63,571

Tenth—Nothing under this head

Eleventh—Nothing under this head

State of New York

Erie County JL J.S.L. Powers Cashier of the Association Bank being duly sworn, do swear that the facts set forth in the foregoing statement are there to the best of my knowledge information & belief.

S. L. Powers (Signature) Cashier

Subscribed & sworn to before me J. McKnight Notary Public

by the page (usually for copying charges). Some types of information are for sale, either in hard copy or computer readable form. This is particularly true of database information, such as financial, demographic or economic information.

### The Internet

The Internet is becoming an increasingly useful source of information and web sites continue to grow. The use of search engines and browsing are the primary ways to discover existing sites. The Library of Congress ([lcweb.loc.gov](http://lcweb.loc.gov)), New York Public Library ([www.nypl.org](http://www.nypl.org)), Smithsonian ([www.si.edu](http://www.si.edu)), National Archives ([www.nara.gov](http://www.nara.gov)), Census Bureau ([www.census.gov](http://www.census.gov)), and British Museum ([www.britishmuseumcompany.co.uk](http://www.britishmuseumcompany.co.uk)) all have searchable web sites. The Library of Congress has its catalogs available online (some 110 million items), as well as many exhibits such as historical collections under "American memories". CATNYP is the online catalog of the New York Public Library; also available are several Digital Library Collections. The National Archives has copies of virtually all important American documents, extensive information on genealogy searches, and histories of government agencies. The first CD-ROM available from the British Museum is "The World of Money".

Accounting sites are indexed on the Rutgers Accounting Web ([www.rutgers.edu](http://www.rutgers.edu)). Among the many accounting pages is the Academy of Accounting Historians ([weatherhead.cwru.edu/accounting/](http://weatherhead.cwru.edu/accounting/)). The Securities and Exchange Commission can be found at [www.sec.gov](http://www.sec.gov), including the EDGAR filing system. Other important sites include all of the major accounting firms and the Financial Accounting Standards Board. The five remaining "Big Six" firms all have major web sites, as follows: Arthur Andersen, [www.arthurandersen.com](http://www.arthurandersen.com); Deloitte & Touche, [www.dttus.com](http://www.dttus.com); Ernst & Young, [www.eyi.com](http://www.eyi.com); KPMG, [www.kpmg.com](http://www.kpmg.com); and PricewaterhouseCoopers, [www.pwc-global.com](http://www.pwc-global.com). The main purpose is to attract business, but these are useful sources of the most current accounting and auditing issues and major thrusts of their operations. Several also have historical pages, such as "About Arthur Andersen", "Our History" (Deloitte & Touche), and "About KPMG".

As with library searches, a systematic analysis is difficult. Sources may be hard to find, and once a source is identified, it may be easy or difficult to access specific information. An on-going project is the analysis of about 100 post-Civil War documents originated in the city of Charleston, South Carolina, to analyze business activities in the post-Civil War South. Several involved the sale or lease of local plantations and various businesses in Charleston, wills and estates, mortgages, notes, court summons, and receipts. A number of books on Charleston have been reviewed, but the internet will be used as the major source of information. The South Carolina State Archives, South Carolina Historical Society, the City of Charleston, and several Civil War-related sites are on the web. In general, these were useful for background information on the Charleston area, time lines, historical events, the Civil War era, and so on.

One document is an 1867 mortgage on Spring Island Plantation, signed by George Trenholm. Trenholm was the senior partner of John Fraser & Co., ran the largest blockade running firm in the Confederacy, set up a banking firm in Liverpool to market Confederate bonds, was "one of America's richest men" (Fraser 1989, p. 221) before the civil War, and was Secretary of the Treasury of the Confederacy during 1864-65. Civil War Charleston website had book excerpts on Trenholm as a blockade runner on its biography page. The South Carolina Historical Society lists several Trenholm family histories under its genealogy surname list. Additional documents involving plantations include a deed, two mortgages, two leases, and an agreement involving a steam saw mill. A set of about 20 documents concerned a specific building at 316 King Street. Historical District of Charleston has an online "tour" of Charleston, which includes specific buildings on the major streets. It lists the building at 316 King Street as a three story stucco brick structure built by Thomas Fleming in 1820, which still exists. John Zanoga bought the contents of the variety store in 1867 at this location and was assigned the remaining lease term. Documents include this assignment, several receipts for lease payments, and two assignments of the lease by Zanoga (Zanoga kept two rooms).

### Databases

Many data bases are available in computer readable form. Particularly familiar to accountants are financial statement information available in several forms such as Compustat and CRSP. Compustat is searchable by specific financial statement item and provide selected financial statement information over many years. CRSP has daily market price (and other information) for thousands of corporations. A particularly useful database for obtaining financial information is the LEXIS/NEXIS system. This resource gives access to news articles, tax laws and changes, legal issues,

and financial statements information from both annual and quarterly reports. The advantage of the LEXIS system is that particular words or terms in the annual report (or article) can be used as search terms and cross-referenced to the financial data. In a study of corporate relocations, for example, if any of the words relocating, relocated, or relocate appeared in the reports, LEXIS identified that company and the specific reference.

## Conclusions

Creative sources of information exist for accounting historians. Collections of documents and related sources are examples of intriguing raw materials. These are often proprietary materials unavailable to researchers unless purchased (e.g., as collectors of Civil War military documents or checks and other business documents). By combining new materials sources with archival and library searches, as well as new technology such as internet searches, significant discoveries await diligent scholars.

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